

BACKGROUND (TALKING PAPER)

MEMORANDUM

SUBJECT : Facts Related to the Chilean Congressional Election of March 1969

A. Political Situation

(1) - Series of leftist gains:

- Leftist takeover of Radical Party in 1967
- Leftist victories in two by-elections in 1967 (Socialists in June and Radical Baltra in December)
- Leftist obstruction in Congress resulting in refusal to permit Frei to visit U.S. in 1967 (with Rightist support) and lengthy delay in 1968 wage legislation causing fall of two Finance Ministers. (Both very anti-Communist and friendly to U.S.)
- Marxist-inspired labor unrest and wage pressures which are making the cornerstone of Frei's economic policy (price stabilization) crumble halfway through his term of office
- Leftist control of PDC from July 1967 to February 1968, which situation only corrected by strong, direct intervention of Frei

(2) Results of foregoing looking towards 1969 and 1970 elections:

- PDC is politically isolated. Its best potential allies (Nationals and moderate Radicals) presently in complete opposition to Frei and hoping for a comeback with Alessandri. (70% in La Segunda poll).
- PDC's foremost presidential candidate pursuing opening to the left with Communists because PDC needs support from other parties.
- Radicals almost certain electoral allies with FRAP, despite increasing divisions within latter.

B. Pertinent Dates:

4 September 1964	Frei elected with 56 percent of vote
5 November 1965	Frei took office
4 March 1965	Last Congressional election. Christian Democrats won a majority in lower house with 44 percent of vote
2 April 1967	National municipal elections in which Christian Democrats received 36 percent of vote
2 November 1968	Closing date for nomination of candidates for March 1969 election
2 March 1969	Congressional election
6 September 1970	Presidential election

C. Congressional Election of 1969 - what is being elected

Chamber of Deputies (lower house): all 150 seats, an increase of three seats over the last election.

Senate (upper house): 30 of the 50 seats will be contested. Elections will be held in six of the ten senatorial districts; each district elects five senators.

D. Present Composition of the Congress

Chamber of Deputies:	Christian Democrats	81 seats
	Radicals.....	19 seats
	Communists.....	18 seats
	Socialists..(PS)...	9 seats
	Socialists..(USP)...	6 seats
	Nationals.....	9 seats
	Other.....	5 seats

Senate.....	Christian Democrats	12 seats
(45 seats now)	Radicals.....	10 seats
	Communists.....	5 seats
	Socialists..(PS)...	4 seats
	Socialists..(USP)...	2 seats
	Nationals.....	6 seats
	Other.....	6 seats

E. Composition of Election Team

Ambassador Edward M. Korry
Deputy Chief of Mission
Political Counselor
Chief of Station

F. Procedure for Selection of Candidates

1. Analysis of past voting data district-by-district to identify contests in which outside support might make contribution to election of a moderate Christian Democrat, Radical, or National candidate. This has been accomplished under the direction of a political analyst.
2. Careful screening of candidates by field election team to identify individuals who merit support, those who should not be supported, and those who should be defeated.
3. When candidates are officially nominated by their parties, the final selection of candidates to be supported will be made by the field.

G. Nomination of Candidates

This is accomplished by the parties themselves and must be completed by 2 November 1968, official closing date for nominations. To date, the Communists and Christian Democrats have decided fairly definitively on their list of candidates. Formal pacts between parties are illegal; however, informal agreements are customary between Communists and Socialists.

H. Funding Channels

Christian Democrats:

Nationals

Radicals

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Denied in Full